

South Carolina Board of Economic Advisors

Statement of Estimated State Revenue Impact

Date: May 5, 2008

Bill Number: S. B. 1350

Author: Elliott

Committee Requesting Impact: Senate Transportation

Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by adding Articles 101, 102, and 103 to Chapter 3, Title 56 so as to provide for the issuance of Distinguished Service Medal, Silver Star, and Bronze Star special license plates.

REVENUE IMPACT ^{1/}

This bill is expected to raise DMV earmarked funds by \$500 in FY 2008-09. Conversely, it would reduce funds earmarked to the SHF by \$370 and to the SIB by \$130 in FY 2008-09. It would have no impact on state General Fund revenue.

Explanation

This bill authorizes the DMV to issue three, special license plate series to honor those who, while serving in or with the military of the United States, have been awarded the Silver Star, Bronze Star or Distinguished Service Medal. An application must include proof that the vehicle owner is a recipient of the respective award. Not more than two license plates may be issued to a person. Standard, biennial registration fees apply as follows: \$20 - \$24 for an auto, based on age, and \$30 for a light truck.

In order to facilitate production, this bill adds language to exempt prerequisites under Section 56-3-8100 that requires a minimum of 400 prepaid applications or a \$4,000 deposit by a sponsoring organization or individual, an approved marketing plan, and other provisions. Since it normally takes nearly six months to complete design and production review for a new special license plate, even with full support from a sponsoring entity, these plates may not be available for purchase before calendar year 2009.

Based solely on receipt of prepaid applications, we expect no more than a combined total of 100 plates would be issued in FY 2008-09, with a distribution of 74 autos and 26 light-duty trucks. Although current language does not add a "special" fee, as in current practice we expect DMV to recoup its cost. Accordingly, multiplying 100 plates by an estimated cost differential (new vs. renewal) of +\$5 per plate would raise DMV earmarked funds by a total of \$500 in FY 2008-09. Respective revenue allocations to the State Highway Fund (SHF) within the Department of Transportation (DOT) for autos, and to the S. C. Transportation Infrastructure Bank (SIB) for light trucks, are net of DMV's costs as applicable. Each proration would, conversely, be reduced by \$5 per plate in FY 2008-09. Thus, funds earmarked to the SHF within DOT would be reduced by a total of \$370 (@ \$5 times 74 autos), and to the SIB by a total of \$130 (@ \$5 times 26 trucks) in FY 2008-09. Since the General Fund receives no revenue from standard, biennial registration fees, the bill would have no impact on state General Fund revenue.

Analyst: Di Biase

/s/ William C. Gillespie
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Chief Economist

^{1/} This statement meets revenue impact requirements of Section 2-7-71 for a state impact by BEA, Section 2-7-76 for a local impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by Office of Economic Research (OER).